



Sedex Members Ethical Trade Audit Report

Version 6.1



| Audit Details | | | |
|---|---|---|---|
| Sedex Company Reference: <i>(only available on Sedex System)</i> | ZC: Not applicable | Sedex Site Reference: <i>(only available on Sedex System)</i> | ZS: Not applicable |
| Business name (Company name): | Thai Union Feedmill Public Company Limited บริษัท ไทยยูเนี่ยน ฟีดมิลล์ จำกัด (มหาชน) | | |
| Site name: | Thai Union Feedmill Public Company Limited บริษัท ไทยยูเนี่ยน ฟีดมิลล์ จำกัด (มหาชน) | | |
| Site address: <i>(Please include full address)</i> | 89/1 Moo 2, Rama II Rd., Kalong Sub-District, Muang, Samutsakorn, 74000, Thailand. 89/1 หมู่ 2 ถนนพระรามสอง ตำบล กาลong อำเภอมือง จังหวัดสมุทรสาคร 74000 ประเทศไทย | Country: | Thailand ประเทศไทย |
| Site contact and job title: | Ms. Ariyachat Pinsuwan – QMS Manager | | |
| Site phone: | (+66) 34 417 222 ext. 287, (+66) 61 386 0322 Fax: (+66) 34 417 255 | Site e-mail: | Ariyachat.Pinsuwan@thaiunion.com |
| SMETA Audit Pillars: | <input checked="" type="checkbox"/> Labour Standards | <input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar) | <input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics |
| Date of Audit: | 26 August 2019 | | |

| | |
|--|--|
| Audit Company Name & Logo:  SGS Thailand Limited | Report Owner (payee): Thai Union Feedmill Public Company Limited |
|--|--|

| Audit Conducted By | | | | | |
|-------------------------|-------------------------------------|-----------|--|-------------|--------------------------|
| Affiliate Audit Company | <input checked="" type="checkbox"/> | Purchaser | <input type="checkbox"/> | Retailer | <input type="checkbox"/> |
| Brand owner | <input type="checkbox"/> | NGO | <input type="checkbox"/> | Trade Union | <input type="checkbox"/> |
| Multi-stakeholder | <input type="checkbox"/> | | Combined Audit (select all that apply) | | |

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): Nil

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Mr. Artiya Ror-ngarm APSCA number: 21702301

Lead auditor APSCA status: Registered Auditor

Team auditor: Mr. Panachai Nuyon APSCA number: 21703521

Ms. Patoomporn Maneerat APSCA number: 21701446

Interviewers: Mr. Artiya Ror-ngarm APSCA number: 21702301

Mr. Thet Wailwin – Myanmar Interpreter

Report writer: Mr. Artiya Ror-ngarm

Mr. Panachai Nuyon

Ms. Patoomporn Maneerat

Report reviewer: Ms. Wadcharin Pana – Technical reviewer

Date of declaration: 26 August 2019

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Summary of Findings

| Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained. | Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found) | | | | Record the number of issues by line*: | | | Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE) | |
|---|---|-----------|--------------------------|--------------------------|---------------------------------------|-----|----|--|--|
| | ETI Base Code | Local Law | Additional Elements | Customer Code | NC | Obs | GE | | |
| 0A | Universal Rights covering UNGP | | <input type="checkbox"/> | <input type="checkbox"/> | | -- | -- | Nil | |
| 0B | Management systems and code implementation | | <input type="checkbox"/> | <input type="checkbox"/> | -- | -- | 6 | Summary of Good example finding: The factory has certified as follow: 1. ISO 9001:2015 certified by SGS (Thailand) Limited, certification no. TH11/5671, valid unit: 26 April 2020 2. Best Aquaculture Practice (BAP), certification no. AM280022, valid until 19 May 2020. 3. Good Manufacturing Practice (GMP) by Department of Fisheries, certification no. 1-48-007/06, valid until 10 April 2020. 4. Hazard Analysis and Critical Control Point System (HACCP) by Department of Fisheries, certification no. 2-52-009/05, valid until 24 May 2021. 5. Hazard Analysis and Critical Control Point System (HACCP) by Department of Livestock Development, certification no. KorSor.02-24-09999-09610006-003, valid until 18 October 2021. 6. South East Asia sustainable Aquaculture Improvement Protocol (SEASAIIP) Level 1, | |

| | | | | | | | | | |
|----|---------------------------------------|-------------------------------------|-------------------------------------|--|--------------------------|----|----|----|--|
| | | | | | | | | | certification no. SEASAIP/2018/005, valid until 10 February 2020. |
| 1. | <u>Freely chosen Employment</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | -- | -- | -- | Nil |
| 2 | <u>Freedom of Association</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | -- | -- | -- | Nil |
| 3 | <u>Safety and Hygienic Conditions</u> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input type="checkbox"/> | 1 | | | Summary of Non-Compliance finding: 1. Based on document review, no crane handling re-fresh training provided to crane operator as local law required, the latest was on 12-13 January 2016. Remark: the factory is planning to conduct the training by 27-28 September 2019. |
| 4 | <u>Child Labour</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | -- | -- | -- | Nil |
| 5 | <u>Living Wages and Benefits</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | -- | -- | 14 | Summary of Good example finding: The factory has provided additional benefit to employees as follows; <ol style="list-style-type: none"> 1. Transportation for office 2. Free uniform 4 sets for year and monetary support for trouser THB 1,000 per year 3. Free dormitory 4. Life assurance 5. Provident fund 6. Attendance allowance (THB 325-1,200 per month) per daily employee 7. Attendance allowance (THB 4,000-6,000 per year) per monthly employee 8. Skill allowance (THB 40-100 per day) 9. Overseas allowance for monthly employee |

| | | | | | | | | | |
|----|----------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|----|----|----|---|
| | | | | | | | | | 10. Accommodation, transportation, food allowance within region and overseas allowance 11. Welfare allowance for married and funeral ceremony for employees or family member in the case of family members or employee passes away 12. Outpatient department allowance/Eye glass monetary support (THB2,000-10,000) 13. Yearly bonus 14. New year party and activities |
| 6 | <u>Working Hours</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | 1 | -- | -- | Summary of Non-Compliance finding: 1. The time attendance records of employees working in the farm that is located in the factory are not consistent with the employee's actual working time. |
| 7 | <u>Discrimination</u> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> | -- | -- | -- | Nil |
| 8 | <u>Regular Employment</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 1 | | | Summary of Non-Compliance finding: 1. Based on the management representative interview and document review, it is found that the factory does not follow the disciplinary process in the factory's rules and regulations which mentioned that the termination process should be happened after written warning process. Remark: The factory informed that employee against the rule many times, but no record as written letter. |
| 8A | <u>Sub-Contracting and</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | -- | -- | -- | Nil |

| | | | | | | | | | |
|------|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----|-----|-----|-----|
| | <u>Homeworking</u> | | | | | | | | |
| 9 | <u>Harsh or Inhumane Treatment</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | -- | -- | -- | Nil |
| 10A | <u>Entitlement to Work</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | -- | -- | -- | Nil |
| 10B2 | <u>Environment 2-Pillar</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | -- | -- | -- | Nil |
| 10B4 | <u>Environment 4-Pillar</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | N/A | N/A | N/A |
| 10C | <u>Business Ethics</u> | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | N/A | N/A | N/A |

General observations and summary of the site:

- This is the Periodic audit that are performed by 3 Auditors with one Burmese interpreter only one-day audit
- The audit scope is total area of Thai Union Feedmill Co., Ltd.
- 42 employees included 2 security guards were randomly interviewed and their time and payroll records from 3 months (August 2018, April and July 2019) were reviewed.
- Peak season during March to May.
- The factory is allowed the auditor to visit as all factory areas.
- Overall of factory building is acceptable no crack and collapse.
- Security guard is serviced 24 hours.
- Good examples are in Management systems and code implementation and Living Wages and Benefits.
- Non-compliances are in Safety and Hygienic Conditions, Working Hours and Regular Employment.

**Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*

Site Details

| Site Details | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|----------------------------|-------------|----------------|----------------|--|--|----------------|--|----|----------------|--|--|----------------|--|----|----------------|--|--|-----------|-----------------------|----|-----------|-------------------------|----|----------------|--|--|-----------|---------|----|----------------|--|--|-----------|----------------|----|----------------|--|--|-----------|---|----|----------------|--|--|-----------|-----------|----|----------------|--|--|
| A: Company Name: | Thai Union Feedmill Public Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B: Site name: | Thai Union Feedmill Public Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C: GPS location: (If available) | GPS Address: | Latitude: 13.507354 Longitude: 100.132766 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections | Business License No.: 3-15(1)-3/45SorKor Tax Register No.: 0107562000220 Social Security Fund No.: 900-001-8994 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc | Feedmill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings) | <p>Thai Union Feedmill Public Company Limited is located in Samutprakarn, Thailand. The total land area occupied by the facility is about 68,800 square meters and the production area covering 10,368 square meters. They have started their operations at the existing location since 2002.</p> <p>The factory is consist of 11 buildings as follows;</p> <table border="1"> <thead> <tr> <th>No. of Production Building</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Building no. 1</td> <td></td> <td></td> </tr> <tr> <td>• Floor 1 to 7</td> <td>Production(Shrimp Feed mill) Raw material and Finish good</td> <td>--</td> </tr> <tr> <td>Building no. 2</td> <td></td> <td></td> </tr> <tr> <td>• Floor 1 to 9</td> <td>Production(Fish Feed mill) Raw material and Finish good</td> <td>--</td> </tr> <tr> <td>Building no. 3</td> <td></td> <td></td> </tr> <tr> <td>• Floor 1</td> <td>Office and Laboratory</td> <td>--</td> </tr> <tr> <td>• Floor 2</td> <td>Office and Meeting room</td> <td>--</td> </tr> <tr> <td>Building no. 4</td> <td></td> <td></td> </tr> <tr> <td>• Floor 1</td> <td>Canteen</td> <td>--</td> </tr> <tr> <td>Building no. 5</td> <td></td> <td></td> </tr> <tr> <td>• Floor 1</td> <td>Marine Protein</td> <td>--</td> </tr> <tr> <td>Building no. 6</td> <td></td> <td></td> </tr> <tr> <td>• Floor 1</td> <td>Maintenance Shop, Boiler (No.1,No.2) and Store material</td> <td>--</td> </tr> <tr> <td>Building no. 7</td> <td></td> <td></td> </tr> <tr> <td>• Floor 1</td> <td>Premixing</td> <td>--</td> </tr> <tr> <td>Building no. 8</td> <td></td> <td></td> </tr> </tbody> </table> | | No. of Production Building | Description | Remark, if any | Building no. 1 | | | • Floor 1 to 7 | Production(Shrimp Feed mill) Raw material and Finish good | -- | Building no. 2 | | | • Floor 1 to 9 | Production(Fish Feed mill) Raw material and Finish good | -- | Building no. 3 | | | • Floor 1 | Office and Laboratory | -- | • Floor 2 | Office and Meeting room | -- | Building no. 4 | | | • Floor 1 | Canteen | -- | Building no. 5 | | | • Floor 1 | Marine Protein | -- | Building no. 6 | | | • Floor 1 | Maintenance Shop, Boiler (No.1,No.2) and Store material | -- | Building no. 7 | | | • Floor 1 | Premixing | -- | Building no. 8 | | |
| No. of Production Building | Description | Remark, if any | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 to 7 | Production(Shrimp Feed mill) Raw material and Finish good | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 to 9 | Production(Fish Feed mill) Raw material and Finish good | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 | Office and Laboratory | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 2 | Office and Meeting room | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 | Canteen | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 | Marine Protein | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 | Maintenance Shop, Boiler (No.1,No.2) and Store material | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 | Premixing | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|---|--|-----------|---------------|----|----------------|--|--|-----------|-------------|----|-----------------|--|--|-----------|--------------------|----|-----------|--------------------|----|-----------------|--|--|-----------|------------------|----|
| | <table border="1"> <tr> <td>• Floor 1</td><td>Boiler (No.3)</td><td>--</td></tr> <tr> <td colspan="3">Building no. 9</td></tr> <tr> <td>• Floor 1</td><td>Waste Water</td><td>--</td></tr> <tr> <td colspan="3">Building no. 10</td></tr> <tr> <td>• Floor 1</td><td>Dormitory (Female)</td><td>--</td></tr> <tr> <td>• Floor 2</td><td>Dormitory (Female)</td><td>--</td></tr> <tr> <td colspan="3">Building no. 11</td></tr> <tr> <td>• Floor 1</td><td>Dormitory (Male)</td><td>--</td></tr> </table> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Based on site observation, the visible structural is good condition.</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: Annual building inspection was conducted on 12 March 2019 by Mr. Sakdawut N. (License no. Bor. 2589) that this report was submitted to local government. Overall was satisfied and complied with local law. Moreover, during the site observation, no serious cracks and damaged were observed.</p> | • Floor 1 | Boiler (No.3) | -- | Building no. 9 | | | • Floor 1 | Waste Water | -- | Building no. 10 | | | • Floor 1 | Dormitory (Female) | -- | • Floor 2 | Dormitory (Female) | -- | Building no. 11 | | | • Floor 1 | Dormitory (Male) | -- |
| • Floor 1 | Boiler (No.3) | -- | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 9 | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 | Waste Water | -- | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 10 | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 | Dormitory (Female) | -- | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 2 | Dormitory (Female) | -- | | | | | | | | | | | | | | | | | | | | | | | |
| Building no. 11 | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Floor 1 | Dormitory (Male) | -- | | | | | | | | | | | | | | | | | | | | | | | |
| G: Site function: | <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor | | | | | | | | | | | | | | | | | | | | | | | | |
| H: Month(s) of peak season: (if applicable) | March to May | | | | | | | | | | | | | | | | | | | | | | | | |
| I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used) | <p>Process flow: Grinding → Weighing → Mixing → Pelletizing → Cooling and drying → Packing</p> <p>Main machine used:</p> <ul style="list-style-type: none"> • Micron Atomizer • Pulveriser • Screw Feeder • Bag Filter • Extruder • Rotary Distributor • Motor Vibrator • Screw Conveyor • Boiler | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|---|--|
| | <ul style="list-style-type: none"> LPG-propelled Forklift |
| J: What form of worker representation / union is there on site? | <input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (Welfare Committee) <input type="checkbox"/> None |
| K: Is there any night production work at the site? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| L: Are there any on site provided worker accommodation buildings e.g. dormitories | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation |
| M: Are there any off site provided worker accommodation buildings | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: If yes, approx. % of workers Approximately 9% of total employees living in the dormitory |
| N: Were all site-provided accommodation buildings included in this audit | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details |

| Audit Parameters | | | |
|---|--|---|---|
| A: Time in and time out | Day 1 Time in: 09.00 AM. Day 1 Time out: 05.00 PM. | Day 2 Time in: NA Day 2 Time out: NA | Day 3 Time in: NA Day 3 Time out: NA |
| B: Number of auditor days used: | 3 Auditors and 1 Burmese Interpreter X 1 day | | |
| C: Audit type: | <input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define: | | |
| D: Was the audit announced? | <input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks (During 13 August – 6 September 2019) <input type="checkbox"/> Unannounced | | |
| E: Was the Sedex SAQ available for review? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not: The factory does not sedex membership | | |
| F: Any conflicting information SAQ/Pre-Audit Info to Audit findings? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause | | |
| G: Who signed and agreed CAPR (Name and job title) | Ms. Piyawadee Meewan – DCO | | |
| H: Is further information available (If yes, please contact audit company for details) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| I: Previous audit date: | 6 July 2018 | | |
| J: Previous audit type: | Periodic Audit | | |
| K: Were any previous audits reviewed for this audit | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A | | |

| Audit attendance | Management | Worker Representatives | |
|---|---|---|---|
| | Senior management | Worker Committee representatives | Union representatives |
| A: Present at the opening meeting? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| B: Present at the audit? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| C: Present at the closing meeting? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present) | On duty | | |
| E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present) | Not applicable (No union established in the factory) | | |

Worker Analysis

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

| Worker Analysis | | | | | | | | |
|--|-----------|-----------|--------|-----------|-----------|--------|--------------|-------|
| | Local | | | Migrant* | | | | Total |
| | Permanent | Temporary | Agency | Permanent | Temporary | Agency | Home workers | |
| Worker numbers – Male | 248 | - | 2 | 148 | - | - | - | 398 |
| Worker numbers – female | 173 | - | 2 | 12 | - | - | - | 187 |
| Total | 421 | - | 4 | 160 | - | - | - | 585 |
| Number of Workers interviewed – male | 12 | - | 1 | 8 | - | - | - | 21 |
| Number of Workers interviewed – female | 10 | - | 1 | 10 | - | - | - | 21 |
| Total – interviewed sample size | 22 | - | 2 | 18 | - | - | - | 42 |



| | | |
|---|--|---|
| A: Nationality of Management | Thai | |
| B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i> | Nationalities: B1: Nationality 1: Thai B2: Nationality 2: Myanmar B3: Nationality 3: _____ | Was the list completed during peak season? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please describe how this may vary during peak periods: |
| C: Please provide more information for the three most common nationalities. | C: approx % total workforce: Nationality 1: 71.97% C1: approx % total workforce: Nationality 2: 28.03% C2: approx % total workforce: Nationality 3: _____ | |
| D: Worker remuneration (management information) | D: _____% workers on piece rate D1: _____% hourly paid workers D2: 100% salaried workers Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: 72% monthly paid D6: 28% other D7: If other, please give details biweekly | |



| Worker Interview Summary | | |
|--|---|---------------|
| A: Were workers aware of the audit? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| B: Were workers aware of the code? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration) | 6 group of 5 | |
| D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria) | D1: Male: 6 | D2: Female: 6 |
| E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details | |
| F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| G: In general, what was the attitude of the workers towards their workplace? | <input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent | |
| H: What was the most common worker complaint? | No complaint from employee during the audit. | |
| I: What did the workers like the most about working at this site? | Workers were happy with the benefits provided by the factory. | |
| J: Any additional comment(s) regarding interviews: | Nil | |
| K: Attitude of workers to hours worked: | Satisfactory. | |
| L. Is there any worker survey information available? | | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details: | | |
| M: Attitude of workers: (Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk | | |

All employees feel comfortable during the interview, and they have a good attitude toward their supervisor, management and the workplace.

N: Attitude of worker's committee/union reps:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

Welfare committee representative feel comfortable during the interview and they have a good attitude toward the management and the workplace.

O: Attitude of managers:

(Include attitude to audit, and audit process. Both positive and negative information should be included)

The factory managements give a good cooperation and support to the audit team. They also have the positive attitude toward the audit and audit process.

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The factory has announced Human Right Policy in Ethics and Code of Conduct Concerning Labour Practice (updated on 10 October 2018 and approved by President), and communicate to employees by orientation, on the job training and posting at notification board.
- The factory has appointed Mr. Wisoot L. – Deputy Manager HR to be in charge Management Representative of Ethics and Code of Conduct Concerning Labour Practice, Social Responsibility and Human Right.
- Grievance & Complain process established for reporting, Management, HR Department, welfare committee and suggestion box are available as channel for employee's communication with management.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Management representative interview
- Human right policy
- Employees interview
- Ethics and Code of Conduct Concerning Labour Practice
- Factory rule and regulation
- Announcement on appointment Management representative
- Training material and training record

Any other comments: Nil

| | |
|---|--|
| A: Policy statement that expresses commitment to respect human rights? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory has announced Human Right Policy in Ethics and Code of Conduct Concerning Labour Practice (updated on 10 October 2018 and approved by President). |
| B: Does the business have a designated person responsible for implementing standards concerning Human Rights? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Wisoot L. Job title: Deputy Manager HR |
| C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Grievance & Complain process established for reporting, Management, HR Department, welfare committee and Suggestion box are available as channel for employee's communication with management. |
| D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details Grievance & Complain process established for reporting, Management, HR Department, welfare committee and Suggestion box are available as channel for employee's communication with management. |
| E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Data and information of employees were kept in personnel file by individual. |

| Findings | | |
|---|--|---|
| Finding: Observation <input type="checkbox"/> Description of observation: None observed Local law or ETI/Additional elements / customer specific requirement: Not applicable Comments: | Company NC <input type="checkbox"/> | Objective evidence observed: Not applicable |

| | |
|-----|--|
| Nil | |
|-----|--|

| Good examples observed: | |
|-----------------------------------|------------------------------|
| Description of Good Example (GE): | Objective Evidence Observed: |
| None observed | Not applicable |

Measuring Workplace Impact

| Workplace Impact | | |
|--|--|-------------------------------------|
| A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover) | A1: Last year: 2018 1.57 % | A2: This year: 2019 0.97 % |
| B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2] | April to June 2019: 1.70 % | |
| C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year | C1: Last year: 2018 4.27 % | C2: This year: 2019 0.34 % |
| D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month | April to June 2019: 0.17 % | |
| E: Are accidents recorded? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: The factory has established accident and investigation report and kept by Safety officer at professional level and the latest non-serious accident was on 1 July 2019 with an investigation process and record for a review. | |
| F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers] | F1: Last year: 2018 Number: 2.86 | F2: This year: 2019 Number: 1.36 |
| G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers] | This year: 2019 Q1: 0.16 Q2: 0.84 Q3: 0.34 Q4: -- | |
| H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers] | H1: Last year: 2018 80.97 | H2: This year: 2019 0.16 |
| I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months: | I1: 6 months 0 % workers | I2: 12 months 0 % workers |

| | | |
|---|-----------------------------|------------------------------|
| J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months: | J1: 6 months 0 % workers | J2: 12 months 0 % workers |
|---|-----------------------------|------------------------------|

0B: Management system and Code Implementation

[\(Click here to return to summary of findings\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Mr. Ariyachat P. – Quality Management Manager and Sustainable Fisheries Development and Mr. Wisoot L. – Deputy Manager HR to be in charge for Management Representative of Social Responsibility and Human Right.
- Mr. Wisoot L. – Deputy Manager HR to be in charge for Labour compliance with the code.
- Ms. Patcharin L. – Safety Officer to be in charge for Health & Safety compliance with the code.
- Ms. Suchada P. – Environment Officer to be in charge for Environmental compliance with the code.
- The factory has communicated Ethics and Code of Conduct Concerning Labour Practice to their suppliers, labour sub-contractor and service provider by acknowledged signed to commitment towards to implement with Human Right and Ethics and Code of Conduct Concerning Labour Practice such as; DSM Nutritional Products (Thailand) Co., Ltd., Security Gold 888 Interguard Co., Ltd, etc.
- Based on interview with management representative and employees, they understood and were aware of Thai local law and ETI Code of conduct.
- The factory has provided orientation to new employees by HR department.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Management representative interview
- Employees interview
- Ethics and Code of Conduct Concerning Labour Practice
- Factory rule and regulation
- Announcement on appointment Management representative
- Training material and training record

Any other comments: Nil

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

- ☐ Yes
☒ No

A1: Please give details:

| | |
|---|---|
| | No fines or prosecutions found in the factory from the last 12 months. |
| B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Social Responsible Policy, Factory Rules and Regulation, Grievance Procedure, and Recruitment Procedure are established in order to reduce the risk of forced labour, child labour, discrimination, harassment & abuses etc. |
| C: If Yes, is there evidence (an indication) of effective implementation? Please give details. | <ul style="list-style-type: none"> Factory Rules and Regulation. The factory has communicated the policy and procedure to all employees and suppliers by training in orientation and refresh training course, and sending the policy and procedure by information letter. |
| D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Employees were briefed on factory rules & regulations, forced labour, child labour, discrimination, harassment & abuse and health & safety during in-house training and orientation by HR Department. |
| E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Employees were briefed on factory rules & regulations, forced labour, child labour, discrimination, harassment & abuse and health & safety during in-house training and orientation by HR Department. |
| F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date). | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: The factory has certified as follow: <ul style="list-style-type: none"> ISO 9001:2015 certified by SGS (Thailand) Limited, certification no. TH11/5671, valid unit: 26 April 2020 Best Aquaculture Practice (BAP), certification no. AM280022, valid until 19 May 2020. Good Manufacturing Practice (GMP) by Department of Fisheries, certification no. 1-48-007/06, valid until 10 April 2020. Hazard Analysis and Critical Control Point System (HACCP) by Department of Fisheries, certification no. 2-52-009/05, valid until 24 May 2021. |

| | |
|---|---|
| | <ul style="list-style-type: none"> Hazard Analysis and Critical Control Point System (HACCP) by Department of Livestock Development, certification no. KorSor.02-24-09999-09610006-003, valid until 18 October 2021. South East Asia sustainable Aquaculture Improvement Protocol (SEASAIP) Level 1, certification no. SEASAIP/2018/005, valid until 10 February 2020. |
| G: Is there a Human Resources manager/department? If Yes, please detail. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Mr. Wisoot L. – Deputy Manager HR |
| H: Is there a senior person / manager responsible for implementation of the code | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: <ul style="list-style-type: none"> Mr. Ariyachat P. – Quality Management Manager and Sustainable Fisheries Development and Mr. Wisoot L. – Deputy Manager HR to be in charge for Management Representative of Social Responsibility and Human Right. Mr. Wisoot L. – Deputy Manager HR to be in charge for Labour compliance with the code. Ms. Patcharin L. – Safety Officer to be in charge for Health & Safety compliance with the code. Ms. Suchada P. – Environment Officer to be in charge for Environmental compliance with the code. |
| I: Is there a policy to ensure all worker information is confidential? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Employee's information is kept in personal file. |
| J: Is there an effective procedure to ensure confidential information is kept confidential? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: The factory has procedure to ensure employee information was kept confidential. |
| K: Are risk assessments conducted to evaluate policy and procedure effectiveness? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment is established and monitoring by internal audit, HR meeting and management review, the latest was conducted on 22 November 2018. |

| | |
|--|---|
| L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: The factory has conducted internal audit once a year, the latest was on 22 March 2019 by Internal audit team. |
| M: Does the facility have a policy/code which require labour standards of its own suppliers? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The factory has communicated Trade Ethics and Social Responsibility for Employees to their subcontractor and suppliers, acknowledge signed available for reviewing. |
| Land rights | |
| N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: There are land right licenses in all title deed of the factory, refer title deed no. 81602 and 81600. |
| O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: Verified the title deed confirmed the title deed is land rights to engage the business in this area and complied with local law, refer to title deed no. 81602 and 81600. |
| P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: No written policy and procedure specific to land rights. However, there is law compliance policy to require that the factory's property must legally ownership (defined in Factory Code of Conduct). |
| Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: There are land right licenses in all title deed of the factory, refer title deed no. 81602 and 81600. |
| R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The factory acquired the land legally without any adverse impacts. |
| S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No S1: Please give details: |

| | |
|--|---|
| | No evidence of illegal appropriation of land for facility building. |
|--|---|

| Non-compliance: | |
|---|---|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable | Objective evidence observed: Not applicable |

| Observation: | |
|---|---|
| Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |

| Good Examples observed: | |
|---|---|
| Description of Good Example (GE): The factory has certified as follow: <ul style="list-style-type: none"> • ISO 9001:2015 certified by SGS (Thailand) Limited, certification no. TH11/5671, valid unit: 26 April 2020 • Best Aquaculture Practice (BAP), certification no. AM280022, valid until 19 May 2020. • Good Manufacturing Practice (GMP) by Department of Fisheries, certification no. 1-48-007/06, valid until 10 April 2020. • Hazard Analysis and Critical Control Point System (HACCP) by Department of Fisheries, certification no. 2-52-009/05, valid until 24 May 2021. • Hazard Analysis and Critical Control Point System (HACCP) by Department of Livestock Development, certification no. KorSor.02-24-09999-09610006-003, valid until 18 October 2021. • South East Asia sustainable Aquaculture Improvement Protocol (SEASAIIP) Level 1, certification no. SEASAIIP/2018/005, valid until 10 February 2020. | Objective evidence observed: Based on document reviews and interview with management. |

1: Employment is Freely Chosen

1: Freely Chosen Employment
[\(Click here to return to summary of findings\)](#)
ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- A policy which prohibits forced labour was available for review.
- Employee's interview revealed that they are not required to lodge deposit or withholding their original documents e.g. ID card, house registration, passport, work permit, and only copies of these documents are kept in each personnel file and can be verified during the audit.
- The employment is entirely voluntary, and overtime can be refused by employees.
- All employees are free to leave their employment after reasonable notice in advanced; at least one payment period.
- Security guards are hired for protecting company's properties only.
- No forced labour and no prison labour observed in the factory.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
Details:

- Personnel file
- Factory rule and regulation
- Resignation record
- Management representative interview
- Employees interview
- Security guards' contract and security guard interview

Any other comments: Nil

| | |
|--|---|
| A: Is there any evidence of retention of original documents, e.g. passports/ID's | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected: |
| B: Is there any evidence of a loan scheme in operation | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected: |
| C: Is there any evidence of retention of wages /deposits | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected: |

| | |
|---|---|
| D: Are there any restrictions on workers' freedom to terminate employment? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: -- |
| E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: -- |
| F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: Based on employees' interview and site observation, no restricted area and employee was able to leave the site at the end of the work day freely. |
| G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The factory has understood and communicated Human Right and Ethics and Code of Conduct to its supply chain. |
| H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: The factory has Human Right and Ethics and Code of Conduct and the factory Rules and Regulation to reduce the risk of forced / trafficked labour. |

| Non-compliance: | |
|---|---|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable | Objective evidence observed: Not applicable |

| Observation: | |
|---|---|
| Description of observation: None observed Local law or ETI requirement: | Objective evidence observed: Not applicable |

| | |
|------------------------------------|--|
| Not applicable | |
| Comments: Not applicable | |

| Good Examples observed: | |
|-----------------------------------|-------------------------------------|
| Description of Good Example (GE): | Objective evidence observed: |
| None observed | Not applicable |

2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- No union established in the factory as it's not required by law.
- Members of Welfare Committee has been established by election on 1 December 2017.
- Welfare committee meeting with management representative was conducted every 3 months; the latest was on 24 May 20 and next 3 meeting on 29 August 2019.
- Based on Welfare committee interview, they are not discriminated against and they can carry out their representative function in the workplace.
- Confidential grievance channels (suggestion box) has been provided to employees to report complain to management.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Election record of Welfare committee
- Minute meeting of Welfare committee
- Management representative interview
- Employees interview
- Welfare committee interview.

Any other comments: Nil

A: What form of worker representation/union is there on site?

- ☐ Union (name)
- ☐ Worker Committee
- ☒ Other (Welfare Committee)
- ☐ None

B: Is it a legal requirement to have a union?

- ☐ Yes
- ☒ No

| | | |
|---|--|--|
| C: Is it a legal requirement to have a worker's committee? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The factory has provided meeting room and any facility to support committee meeting activity. | |
| F: Name of union and union representative, if applicable: | N/A | F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |
| G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees? | Welfare committee | G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| H: Are all workers aware of who their representatives are? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| I: Were worker representatives freely elected? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | I1: Date of last election: 1 December 2017 |
| J: Do workers know what topics can be raised with their representatives? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| K: Were worker representatives/union representatives interviewed? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 2 | |
| L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc. | Welfare committee meeting was conducted at least every 3 months; the latest was on 24 May 2019 and next 3 meeting on 29 August 2019. The topic of meeting was about new representative to take care dormitory. | |
| M: Are any workers covered by Collective Bargaining Agreement (CBA)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| If Yes , what percentage by trade Union/worker representation | Not applicable M1: ____% workers covered by Union CBA | Not applicable M2: ____% workers covered by worker rep CBA |

| | |
|--|---|
| M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay? | Not applicable <input type="checkbox"/> Yes <input type="checkbox"/> No |
|--|---|

| Non-compliance: | |
|---|---|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable | Objective evidence observed: Not applicable |

| Observation: | |
|---|---|
| Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |

| Good Examples observed: | |
|---|---|
| Description of Good Example (GE): None observed | Objective evidence observed: Not applicable |

3: Working Conditions are Safe and Hygienic

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The factory has provided;
 - Assembly point to employees.
 - Clean canteen to employees.
 - 10 clean drinking water dispenser stations to employees.
 - 31 clean toilets with water supply and separated by gender 13 for men and 11 for women.
 - 23 washbasins with water supply.
 - One emergency eye wash station and one emergency shower station in the workplace.
 - Machine safety guards covering all pulley, conveyor and moving part of machines.
 - First aid room to employees provided free of charge and accessible as follows:
 - A nurse covering the period of more than 200 employees working at the time
 - A waiver of using a hospital instead of providing a doctor onsite: License no. 13/2551 effective since 24 April 2008 by Ban Paew 2 Hospital.
 - Two patient beds
 - Medicines
 - Medical instrument
 - A stretcher
- Sets of fire equipment are installed in the workplace as follows:
 - 114 fire extinguishers
 - 42 fire alarms
 - 44 heat detectors
 - 25 sprinkler taps
 - 25 fire hoses
 - 10 fire hydrants
 - 25 fire nozzles
 - 1 fire pump
 - 60 emergency lights
 - 39 fire exit light boxes
 - 5 firefighting suits
- Fire equipment is inspected as follow:

- All sets of fire equipment except fire pump are inspected once a month; latest on 30 July 2019 by Safety officer at professional level together with supervisors of each department.
- Fire pump once a week at least 30 minutes per test run; latest on 22 August 2019 by a mechanic officer together with Safety officer at professional level.
- The factory posted;
 - SDS (Safety Data Sheet) in the chemical storage and chemical used area.
 - Safety sign and warning sign in the workplace.
 - Fire evacuation route maps in the workplace.
- All fire exits and fire evacuation routes are not blocked and locked during the site observation.
- All sets of fire equipment are not obstructed during the site observation.

Based on Health & Safety document and record reviews:

- The factory has established;
 - Occupational Health & Safety Policy (effective since 18 November 2015) and Environment Policy (effective since 17 June 2019) has been approved by CEO and communicated to employees by posting at the notification board and orientation for new employees.
 - Health and safety manual (Document No. SD-EHS-02) in the workplace has been effective since 29 September 2018 approved by CEO and communicated to employees by posting at the notification board and orientation for new employees.
 - Risk assessment procedure, health & safety risk assessment was conducted and updated regularly. Moreover, every time of update is approved and reviewed by Safety officer at professional level.
 - Preparedness of protection and prevention plan of fire (Document no. SD-EHS-01), chemical spillage/leakage (Document no. SD-EHS-01) and boiler explosion (Document no. SD-EHS-03) has been established, reviewed by Safety officer at professional level and approved by CEO.
 - The factory has established Health and Safety committee (19 members comprising 1 chairman, 1 secretary, 8 members of management/ supervisory level and 9 members of operation level), the latest elected on 20 March 2018 and appointed on 1 April 2018 valid until 31 March 2020. Moreover, verified minute of the monthly safety meeting, the latest meeting was conducted on 26 July 2019.
- One safety officer at professional level work in the factory as follows:
 - Ms. Patcharin L. (License no: 274-001770)
- 27 Safety officers at management/ executive level work in the factory as follows.
 - Mr. Ekkasit W. (License no: 274-004808)
 - Ms. Mananya T. (License no: 274-001104) etc.
- 69 Safety officers at supervisory level work in the factory as follows:
 - Mr. Soonthon A. (License no: 274-013361)
 - Ms. Wawdao L. (License no: 274-013363) etc.
- The factory has submitted the working performance report of safety at professional level to Occupational Safety and Health Bureau, Department of Labour Protection and Welfare every 3 months; the latest was submitted on 1 August 2019 for 4th period of year (April – June 2019).
- Five electricians are trained and certified for the factory
- 5 boiler controllers work in the factory as follows:
 - Mr. Tepitak Kw. (license no. 318-580-28833) valid until 31 December 2019.
 - Mr. Thammaraht L. (license no. 318-580-35887) valid until 31 December 2019 etc.
- Chemical registration has submitted the detail of harmful chemicals to Department of Labour Protection and Welfare in every year; the latest was submitted on 18 January 2019 for harmful chemicals such as Acetic Acid, Acetone, Ethanol, Hexane, Isopropyl Alcohol, Toluene, LPG etc.
- The factory has established accident and investigation report and kept by Safety officer at professional level and the latest non-serious accident was on 1 July 2019 with an investigation process and record for a review.
- The factory has provided annual health examination (with parameters such as Physical Examination, CBC, Urine, Acetone, Hexane, Toluene, Nitric, Ethanol, Acetonitrile, Isopropyl Alcohol

etc.) to workers. the latest was conducted on 18-19 October 2018 by International Care and Lab Hospital.

- The factory has provided the chemical health examination within 30 days for new employees and changing position relating the chemical once a month (with parameters such as Acetone, Ethanol, Isopropyl Alcohol, Audiometry, Spirometry etc.) to workers; the latest was conducted on 30 April 2019 by Vichaivej International Samutsakhon Hospital.
- Verification of Training record revealed;
 - Chemical handling and SDS training course including emergency chemical leakage drill provided to employee; the latest was organized on 29 March 2019 by External Asia Training Centre Co., Ltd. Moreover, refreshing of chemical training by the manager on 25 July 2019.
 - Fire drill course provided to workers both at dayshift and night shift including the drill of dormitory situation; the latest was conducted on 17 October 2018 by Panthainorasing Municipality.
 - Basic firefighting course provided to employees; the latest was on 16 October 2018 by Panthainorasing Municipality.
 - CPR training course was provided to employees, the latest training on 16 March 2019 by Viparam Hospital.
 - Occupational health and safety orientation including environmentally (Total 6 hours for safety orientation) by Safety officer at professional level to new employees.

Based on inspection record reviews:

- The factory has conducted working environment inspection with parameters such as light, noise, temperature, total dust etc.; the latest was conducted on 21-22 May 2019 by Green Earth Environment Co., Ltd.
- The factory has conducted working environment inspection of harmful chemical with parameters such as Acetone, Chloroform, Methanol, Toluene, Hexane, Nitric Acid, Isopropyl Alcohol etc.; the latest was conducted on 18 March 2019 by C.E.M. Technology (Thailand) Co., Ltd.
- Air quality testing inspection of boiler stack with parameters such as Total Suspended Particulate, Oxides of Nitrogen, Sulfur Dioxide, Carbon Monoxide, Opacity etc. has conducted semi-annually; the latest was conducted on 25 March 2019 by Fluidized Bed and Energy Saving Co., Ltd.
- Annual electricity system inspection; the latest was conducted on 9 February 2019 by Mr. Pipat W. (License no. PorForKor. 1170).
- Annual building inspection was conducted on 12 March 2019 by Mr. Sakdawut N. (License no. Bor. 2589) that this report was submitted to local government. Overall was satisfied and complied with local law. Moreover, during the site observation, no serious cracks and damaged were observed.
- Annual Crane and Lift inspection; the latest was conducted on 6-7 September 2018 by Mr. Suwat B. (License no PorKor 23408).
- Annual inspection of three boilers was latest conducted on 15 April 2019 by Mr. Chaowalit Ch. (License no. SorKor. 3669).
- Annual LPG-Propelled forklift inspection was latest conducted on 21 April 2019 by Mr. Boonchai K. (License no. SorKor. 2915).
- Annual drinking water inspection; latest was on 12 February 2019 by TUV SUD (Thailand) Limited. including parameters such as pH, Total Arsenic, Total Solids, Odor, Chloride, Sulfate etc.
- Canteen staff's health check-up was conducted latest on 6 July 2019 by Samutsakhon Hospital with parameter such as Stool Test, Lung X-ray etc.
- Maintenance plan in daily, weekly, monthly and yearly for all machines.
- Daily check for forklift by the driver onsite and record onsite for a review.

For the dormitory:

- The dormitory has an area at 1,296 square meters in total.
- Total 30 rooms: Each room has an area at between 24 and 48 square meters (Toilets provided inside and water supply)
- Approximately 9% of total employees living in the dormitory
- Fire equipment in the dormitory as follows:
 - 4 fire extinguishers

- 4 fire alarms
- 8 emergency lights
- 3 fire exit light boxes
- The sets of fire facility are inspected on a monthly basis; latest on 30 July 2019 by Safety officer at professional level.
- Fire drill course provided to workers; the latest was conducted on 17 October 2018 by Panthainorasing Municipality.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Safety's documents
- Annual health check reports
- Health and Safety instruction
- Health and Safety inspection
- Health and Safety training record
- Health and Safety announcement
- Health and Safety policy
- Environments measurement records
- Emergency equipment inspection records
- Site observation
- Dormitory observation

Any other comments: Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

- ☒ Yes
☐ No

A1: Please give details:

- Occupational Health & Safety Policy (effective since 18 November 2015) and Environment Policy (effective since 17 June 2019) has been approved by CEO and communicated to employees by posting at the notification board and orientation for new employees.
- Health and safety manual (Document No. SD-EHS-02) in the workplace has been effective since 29 September 2018 approved by CEO and communicated to employees by posting at the notification board and orientation for new employees.
- Risk assessment procedure, health & safety risk assessment was conducted and updated regularly. Moreover, every time of update is approved and reviewed by Safety officer at professional level.

B: Are the policies included in workers' manuals?

- ☒ Yes
☐ No

B1: Please give details:

- Occupational Health & Safety Policy (effective since 18 November 2015) and Environment Policy (effective since 17 June 2019) has been approved by CEO and communicated to employees by posting at the notification board and orientation for new employees.
- Health and safety manual (Document No. SD-EHS-02) in the workplace has been effective since 29 September

| | |
|---|--|
| | <p>2018 approved by CEO and communicated to employees by posting at the notification board and orientation for new employees.</p> <ul style="list-style-type: none"> Risk assessment procedure, health & safety risk assessment was conducted and updated regularly. Moreover, every time of update is approved and reviewed by Safety officer at professional level. |
| <p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>C1: Please give details: No structural additions without required permits.</p> |
| <p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>D1: Please give details: PPEs have been provided to auditors and visitors onsite and free of charge.</p> |
| <p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E1: Please give details: First aid room to employees provided free of charge and accessible as follows:</p> <ul style="list-style-type: none"> A nurse covering the period of more than 200 employees working at the time A waiver of using a hospital instead of providing a doctor onsite: License no. 13/2551 effective since 24 April 2008 by Ban Paew 2 Hospital. Two patient beds Medicines Medical instrument A stretcher |
| <p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F1: Please give details: First aid room to employees provided free of charge and accessible as follows:</p> <ul style="list-style-type: none"> A nurse covering the period of more than 200 employees working at the time A waiver of using a hospital instead of providing a doctor onsite: License no. 13/2551 effective since 24 April 2008 by Ban Paew 2 Hospital. Two patient beds Medicines Medical instrument A stretcher |
| <p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: Please give details:</p> |

| | |
|--|--|
| | Transportation has been provided to employees. The facility controlled the driving license and monitored the drivers regularly. The records are reviewed. |
| H: Is secure personal storage space provided for workers in their living space and is fit for purpose? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Secure personal locker was provided for workers and fit for purpose. |
| I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Risk assessment procedure, health & safety risk assessment was conducted and updated regularly. Moreover, every time of update is approved and reviewed by Safety officer at professional level. |
| J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Required permits for waste disposal are complied with law requirement. |
| K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The factory has regularly updated customer requirement and local law requirement related occupational health and safety and environment which included banned chemicals and communicated by Health & Safety committee meeting. |

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

Periodic audit on 06 July 2018:

Based on site observation, the fire alarms system does not have power back-up.

Local law and/or ETI requirement

Notification of Ministry of Industrial B.E. 2552 (AD 2009) Re; Fire Preventive and Suppression within the factory -Chapter 2, Clause 4: Fire alarm system shall does not use electricity from lighting system and machine or have the power back-up supply to fire alarm system not less 2 hours.

Recommended corrective action:

The fire alarm system of the factory should be louden itself system and does not use electricity from lighting system and machine or have the power back-up supply to fire alarm system not less 2 hours.

Periodic audit on 26 August 2019:

Status: Closed

Objective evidence observed:

Based on site observation

| | |
|---|--|
| Based on site observation, the factory has installed power back-up for fire alarm system. | Based on site observation |
| 2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Periodic audit on 06 July 2018: Based document review and employees' interview; no fire evacuation drill for employees who work in night shift. Local law and/or ETI requirement ETI Based Code Working Conditions are Safe and Hygienic 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers. Recommended corrective action: The factory should provide fire evacuation training to the employees working at night shift at least once a year and maintain record for review. Periodic audit on 26 August 2019: Status: Closed Based document review, the factory has conducted fire evacuation drill for employees who work in night shift. | Objective evidence observed: Based document review and employees' interview Based document review |
| 3. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Periodic audit on 26 August 2019: Based on document review, no crane handling re-fresh training provided to crane operator as local law required, the latest was on 12-13 January 2016. Remark: the factory is planning to conduct the training by 27-28 September 2019. Local law and/or ETI requirement Notification of the Ministry of Labour: Regulation of training procedure and gross of crane operator, signal operator, or controller and re-fresh training of crane work B.E. 2554, Chapter 1 Training, Section 9 Recommended corrective action: The factory should provide crane handling re-fresh training course to crane operators every two years as local law required. | Objective evidence observed: Based on document review |

| Observation: | |
|---|---|
| Description of observation: None observed Local law or ETI requirement: Not applicable Comments: | Objective evidence observed: Not applicable |

| | |
|----------------|--|
| Not applicable | |
|----------------|--|

| Good Examples observed: | |
|-----------------------------------|------------------------------|
| Description of Good Example (GE): | Objective evidence observed: |
| None observed | Not applicable. |

4: Child Labour Shall Not Be Used

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- No child labour employed in the factory.
- After reviewing employee's personnel file, copy of Identification card, house registration, passport, work permit and school certificate shows that there was no child labour in the factory.
- The youngest employee found during the audit was 20 years old (Date of birth: 21 August 1999), has started to work on 27 February 2019.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Personnel file
- Factory rule and regulation
- Employment contract
- Management interview
- Employee interviews

Any other comments: Nil

| | |
|--|---|
| A: Legal age of employment: | More than 15 years old |
| B: Age of youngest worker found: | The youngest employee found during the audit was 20 years old (Date of birth: 21 August 1999), has started to work on 27 February 2019. |
| C: Are there children present on the work floor but not working at the time of audit? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: % of under 18's at this site (of total workers) | 0% |
| E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety) | Not applicable, no employee under 18 years work at the factory <input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details |

| Non-compliance: | |
|---|---|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable | Objective evidence observed: Not applicable |

| Observation: | |
|---|---|
| Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |

| Good Examples observed: | |
|---|---|
| Description of Good Example (GE): None observed | Objective evidence observed: Not applicable |

5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key information\)](#)

ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Employees' wages are calculated on daily rate and monthly rate basis.
- The factory has paid at least THB 325 per day since 01 April 2018 which complies with the legal minimum local wage.
- The factory has paid overtime hours and work on holiday at premium rate as per local law required, 150% for overtime on normal working day 200% for working on holiday and 300% for overtime on holiday.
- Daily employee wage has been paid twice a month on 15th of next month (Calculate: Working day on 26th of previous month to 10th of current month, Overtime is the same period) and end of current month (Calculate: Working day on 11th – 25th of current month, Overtime is the same period).
- Monthly employees wage has been paid once a month at end of the month (Calculate: Working day on 1st to end of current month, Overtime is calculated from 21st of previous month to 20th of current month).
- Payments are transferred through the bank.
- The factory has provided pay slip to all employees.
- Only social security, provident fund and tax have been deducted from wage as local law requirement.
- The factory and subcontractor company has paid the social security fund to Social Security Officer in every month, the latest payment in August 2019 (for July 2019).
- Benefits has provided to all employees according the local law requirement, such as 13 paid traditional holidays, and 98 days maternity leave (45 days paid by factory and 45 days paid by Social Security office).

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Time record
- Payroll record
- Bank transfer
- Announcement of traditional holiday
- Application for leave record
- Social insurance payment record
- Management representative interview
- Employees interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law: ☐ NC against customer code:

Nil

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

The factory has provided additional benefit to employees as follows;

- Transportation for office
- Free uniform 4 sets for year and monetary support for trouser THB 1,000 per year
- Free dormitory
- Life assurance
- Provident fund
- Attendance allowance (THB 325-1,200 per month) per daily employee
- Attendance allowance (THB 4,000-6,000 per year) per monthly employee
- Skill allowance (THB 40-100 per day)
- Overseas allowance for monthly employee
- Accommodation, transportation, food allowance within region and overseas allowance
- Welfare allowance for married and funeral ceremony for employees or family member in the case of family members or employee passes away
- Outpatient department allowance/Eye glass monetary support(THB2,000-10,000)
- Yearly bonus

Objective Evidence Observed:

Based on document reviews and interview with management and employees.

- New year party and activities

Summary Information

| Criteria | Local Law (Please state legal requirement) | Actual at the Site (Record site results against the law) | Is this part of a Collective Bargaining Agreement? |
|---|---|--|---|
| A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month) | Legal maximum: 48 hours per week | A1: 48 hours per week | A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month) | Legal maximum: 36 hours per week | B1: 12 hours per week | B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month) | Legal minimum: THB 325 per day since 1 st April 2018. | C1: THB 325 per day since 1 st April 2018. | C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month) | Legal minimum: 150% for overtime on normal working day, 200% for working on holiday and 300% for overtime on holiday for general employee and 100% for working extra time on normal working day | D1: 150% for overtime on normal working day, 200% for working on holiday and 300% for overtime on holiday for general employee and 100% for working extra time on normal working day | D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Wages analysis:

[\(Click here to return to Key Information\)](#)

| | |
|--|---|
| A: Were accurate records shown at the first request? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| A1: If No , why not? | Not applicable |
| B: Sample Size Checked (State number of worker records checked and from which weeks/months) | 42 employees were randomly interview and time and payroll records selected 3 months (August 2018, April 2019, and July 2019) were reviewed. |

| | | | |
|--|---|--|---|
| – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria) | | | |
| C: Are there different legal minimum wage grades? If Yes , please specify all. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | C1: If Yes , please give details: - | |
| D: If there are different legal minimum grades, are all workers graded and paid correctly? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A | D1: If No , please give details: - | |
| E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? | <input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above | E1: Lowest actual wages found: THB 325 per day | |
| F: Please indicate the breakdown of workforce per earnings: | F1: ____ % of workforce earning under minimum wage F2: 60% of workforce earning minimum wage F3: 40% of workforce earning above minimum wage | | |
| G: Bonus Scheme found: Please specify details: | Bonus Scheme found: Depends on profit | | |
| H: What deductions are required by law e.g. social insurance? Please state all types: | <ul style="list-style-type: none"> • Payment of income tax • Payment of contributions to a labour union • Payment of debts to saving or other co-operative of the same nature as a savings co-operative, or debts which have been incurred for the purpose of the welfare for the sole benefit of the employee, with the prior consent of the employee. • A guarantee money as referred to in Section 10 or compensation paid to an employer due to a willful act or the gross negligence of the employee, provided that the employee consents; An employee contribution under an agreement respecting the Employee Welfare Fund. | | |
| I: Have these deductions been made? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | I1: Please list all deductions that have been made. | 1. Social Security 2. Tax 3. Provident fund Please describe: |
| | | I2: Please list all deductions that have not been made. | Not applicable Please describe: |

| | | |
|---|---|--|
| J: Were appropriate records available to verify hours of work and wages? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| K: Were any inconsistencies found? (if yes describe nature) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | K1: Type <input checked="" type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence: |
| L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: Please give details: The record is not showing the actual working time e.g. actual working time of employees in the farm area is 06.00am-03.00pm but working time record that show during audit at the factory is 08.00am – 05.00pm. | |
| M: Is there a defined living wage: This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time: Not applicable, Comply with Thai law minimum wage. | |
| M2: If yes, what was the calculation method used. | Not applicable <input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: | |
| N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income). | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: | |
| O: Are workers paid in a timely manner in line with local law? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| P: Is there evidence that equal rates are being paid for equal work: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: Based on employees interview and payroll records review, the factory implemented of equal salary for equal work employees. | |
| Q: How are workers paid: | <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain: | |

6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Finger scan system is used to record working hours.
- Working days: Six days per week and one day off in one period.
- Office employee working time: 08:00 AM – 05:00 PM with one hour for meal break.
- Production employee working time: 2 shifts with 8 hours per day and one hour for meal break.

Day shift;

- 07:00 AM – 04:00 PM
- 08:00 AM – 05:00 PM
- 09:00 AM – 06:00 PM

Night shift;

- 08:00 PM – 05:00 AM
- 09:00 PM – 06:00 AM
- 30 minutes break before work overtime which more than 2 hours.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Factory rule & regulation
- Time record
- Payroll record
- Overtime voluntary record
- Leave record
- Management representative interview
- Employees interview

Any other comments: Nil

Non-compliance:
Periodic audit on 26 August 2019: New finding
1. Description of non-compliance:
☒ NC against ETI ☐ NC against Local Law ☐ NC against customer code:

The time attendance records of employees working in the farm that is located in the factory are not consistent with the employee's actual working time.

Local law and/or ETI requirement:
ETI Based Code 6.1
Recommended corrective action:

The factory should record the actual time of employees' working hours.

Objective evidence observed:

Based on document review and management representative interview

Observation:
Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:
Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:
Objective evidence observed:

Not applicable

Not applicable

Working hours' analysis

Please include time e.g. hour/week/month

[\(Go back to Key information\)](#)

Systems & Processes

A. What timekeeping systems are used: time card etc.

Describe:
Finger print scanning system

B: Is sample size same as in wages section?

☒ Yes
☐ No

B1: If no, please give details
42 employees were randomly interview and time and payroll records selected 3 months (August 2018, April 2019, and July 2019) were reviewed.

C: Are standard/contracted working hours defined in **all** contracts/employment agreements?

☒ Yes
☐ No

C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.
Please give details:

D: Are there any other types of contracts/employment agreements used?

☐ Yes
☒ No

D1: If YES, please complete as appropriate:

☐ 0 hrs ☐ Part time ☐ Variable hrs ☐ Other

If "Other", Please define:

--

E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?

☐ Yes
☒ No

E1: If **yes**, please detail hours, %, types of workers affected and frequency
Please give details:

F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?

F2: Please select all applicable:
☒ 1 in 7 days
☐ 2 in 14 days
☐ No
If 'No', please explain:

F3: Is this allowed by local law?

☒ Yes
☐ No

Maximum number of days worked without a day off (in sample):

| | | |
|---|--|---|
| | 6 consecutive days | |
| Standard/Contracted Hours worked | | |
| G: Were standard working hours over 48 hours per week found? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | G1: If yes, % of workers & frequency: |
| H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site? | Not applicable <input type="checkbox"/> Yes <input type="checkbox"/> No | H1: If yes, please give details: |
| | | -- |
| Overtime Hours worked | | |
| I: Actual overtime hours worked in sample (State per day/week/month) | Highest OT hours: 12 hours per week | |
| J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| K: Approximate percentage of total workers on highest overtime hours: | 95.23% | |
| L: Is overtime voluntary? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information | L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: |
| Overtime Premiums | | |
| M: Are the correct legal overtime premiums paid? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium | M1: Please give details of normal day overtime premium as a % of standard wages: |
| N: Is overtime paid at a premium? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | N1: If yes, please describe % of workers & frequency: |

| | |
|---|---|
| <p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p> | <input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other |
| | <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> |
| | <p>Not applicable</p> |
| <p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p> | <input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify) |
| | <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> |
| | <p>--</p> |
| <p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Q1: If yes, please give details:</p> |
| <p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

ETI

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- No evidence of discriminatory practice found during the audit
- From personnel file and employee interviews, no pregnancy and HIV testing provided to new hired employees.
- Employee interviews; confirmed factory's implementation of equal salary for equal work for male and female employees.
- Migrant employees are provided with the same welfare benefits as that provided to the Thai employees.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Factory rule and regulation
- Job advertisement/Man power requisition form/Job description
- Employee application forms
- Personnel file
- Personnel performance file
- Management representative interview
- Employees interview

Any other comments: Nil

| | |
|--|---|
| A: Gender breakdown of Management + Supervisors (Include as one combined group) | A1: Male: 60% A2: Female: 40% |
| B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst: | 8 Mechanical engineers 10 Laboratory staffs |
| C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?: | Not applicable <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement |

| | |
|--|--|
| | <input type="checkbox"/> No evidence of discrimination found C1: Please give details: |
|--|--|

| Professional Development | |
|---|----------------|
| A: What type of training and development are available for workers? | Not applicable |

| | |
|--|---|
| B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: |
|--|---|

| Non-compliance: | |
|--|---|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Nil Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable | Objective evidence observed: Not applicable |

| Observation: | |
|---|---|
| Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |

| |
|-------------------------|
| Good Examples observed: |
|-------------------------|

| Description of Good Example (GE): | Objective Observed: | Evidence |
|-----------------------------------|---------------------|----------------|
| None observed | | Not applicable |

8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

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ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- The factory has established Factory rule & regulation (the content as compiled with the Local law) that has communicated to employees by orientation for new employees and posted at notification board.
- The factory has provided written employment contract to all employees sign in local language, and a copy has provided to them.
- No home-worker is employed in the factory.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Factory rule and regulation
- Employment contract
- Interview with management representative
- Interview with employee

Any other comments: Nil

Non-compliance:

| | |
|---|---|
| 1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Periodic audit on 26 August 2019: Based on the management representative interview and document review, it is found that the factory does not follow the disciplinary process in the factory's rules and regulations which mentioned that the termination process should be happened after written warning process. Remark: The factory informed that employee against the rule many times, but no record as written letter. Local law and/or ETI requirement: ETI Based Code 8.1 Recommended corrective action: The factory should follow the disciplinary process in the factory's rules and regulations and keep records for a review. | Objective evidence observed: Based on the management representative interview and document review |
|---|---|

| Observation: | |
|---|---|
| Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |

| Good Examples observed: | |
|---|---|
| Description of Good Example (GE): None observed | Objective Evidence Observed: Not applicable |

Responsible Recruitment

| All Workers | |
|--|---|
| A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions? | <input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: |
| B: Did workers' pay any fees, taxes, deposits or bonds for the | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

| | |
|-----------------------------------|--|
| purpose of recruitment/placement? | B1: If yes, please describe details and specific category(ies) of workers affected: |
| C: If yes, check all that apply: | <input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input checked="" type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input checked="" type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: |
| D: If any checked, give details: | -- |

| | | |
|--|---|-------------------|
| Migrant Workers: <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i> | | |
| A: Type of work undertaken by migrant workers: | Production worker | |
| B: Please give details about recruitment agencies for migrant workers: | B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 1 (International Focus General Services Co., Ltd.) | |
| C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: | C2: Observations: |
| D: Are Any migrant workers in skilled, technical, or management roles Migrant Workers (this should include all migrant workers including permanent | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If yes, number and example of roles: | |

workers, temporary and/or seasonal workers)

NON-EMPLOYEE WORKERS

| Recruitment Fees: | |
|----------------------------------|---|
| A: Are there any fees? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| B: If yes, check all that apply: | Not applicable <input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: |
| C: If any checked, give details: | -- |

| Agency Workers (if applicable) | |
|---|---|
| (workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.) | |
| A: Number of agencies used (average): | A1: Names if available: Not applicable |
| B: Were agency workers' age / pay / hours included within the scope of this audit? | Not applicable <input type="checkbox"/> Yes <input type="checkbox"/> No |
| C: Were sufficient documents for agency workers available for review? | Not applicable <input type="checkbox"/> Yes <input type="checkbox"/> No |

| | |
|---|---|
| D: Is there a legal contract / agreement with all agencies? | Not applicable <input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: |
| E: Does the site have a system for checking labour standards of agencies? If yes, please give details. | Not applicable <input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: |

| | |
|--|---|
| <p align="center">Contractors:</p> <p><i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i></p> | |
| A: Any contractors on site? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: If yes, how many contractors are present, please give details: 1 contractor on site is Security guard process: Gold 888 Inter Guard Co., Ltd. |
| B: If Yes , how many workers supplied by contractors? | 4 workers |
| C: Do all contractor workers understand their terms of employment? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: |
| D: If Yes , please give evidence for contractor workers being paid per law: | Based on payroll record review, all contractor employee received wage as local law standard. |

8A: Sub-Contracting and Homeworking

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Note to auditor on homeworking:

Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.

Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- No external subcontractor.
- No home worker employed in the factory.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- Management interview
- Employee interview
- In-house subcontractor contract

Non-compliance:

1. Description of non-compliance:

- ☐ NC against ETI/Additional Elements
- ☐ NC against customer code:

☐ NC against Local Law

Nil

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:

Description of observation:

None observed

Local law or ETI/Additional elements requirement:

Objective evidence observed:

Not applicable

| | |
|------------------------------------|--|
| Not applicable | |
| Comments: Not applicable | |

| Good Examples observed: | |
|-----------------------------------|----------------------------|
| Description of Good Example (GE): | Objective Observed: |
| None observed | Not applicable |

| Summary of sub-contracting – if applicable | |
|--|---|
| <input checked="" type="checkbox"/> Not Applicable please x | |
| A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting | <input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe: |
| B: If sub-contractors are used, is there evidence this has been agreed with the main client? | <input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details: |
| C: Number of sub-contractors/agents used: | |
| D: Is there a site policy on sub-contracting? | <input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details: |
| E: What checks are in place to ensure no child labour is being used and work is safe? | |

| Summary of homeworking – if applicable | | | |
|---|---|-------------|--|
| <input checked="" type="checkbox"/> Not Applicable please x | | | |
| A: If homeworking is being used, is there evidence this has been agreed with the main client? | <input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details: | | |
| B: Number of homeworkers | B1: Male: | B2: Female: | Total: |
| C: Are homeworkers employed direct or through agents? | <input type="checkbox"/> Directly <input type="checkbox"/> Through Agents | | C1: If through agents, number of agents: |
| | | | |

| | |
|---|---|
| D: Is there a site policy on homeworking? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| E: How does the site ensure worker hours and pay meet local laws for homeworkers? | |
| F: What processes are carried out by homeworkers? | |
| G: Do any contracts exist for homeworkers? | <input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: |
| H: Are full records of homeworkers available at the site? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

9: No Harsh or Inhumane Treatment is Allowed

[\(Click here to return to summary of findings\)](#)

ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

| | |
|---|---|
| <p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory has established grievance mechanism process</p> <ul style="list-style-type: none"> Grievance mechanism process has been defined in Quality Manual and suggestion boxes are installed in working area as channel for employee's communication with management. Suggestion box will be open by HR Manager. <p>All channels could be raised by anonymously and Standard Operating Procedure Protection of Identity and Non-Retaliation process.</p> |
| <p>B: If Yes, are workers aware of these channels and have access? Please give details.</p> | <p>Based on employee interviewed, confirmed all employees aware and understand the channelling to contact with the factory. Such as suggestion box/ supervisor/ human resource representative and directly to all management.</p> |
| <p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p> | <p>The factory has established grievance mechanism process</p> <ul style="list-style-type: none"> Grievance mechanism process has been defined in Human Rights policy and suggestion boxes are installed in working area as channel for employee's communication with management. Suggestion box will be open by HR Manager. <p>All channels could be raised by anonymously and Standard Operating Procedure Protection of Identity and Non-Retaliation process.</p> |
| <p>D: Which of the following groups is there a grievance mechanism in place for?</p> | <p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other</p> <p>D1: Please give details:</p> |

| | |
|---|---|
| E: Are there any open disputes? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details |
| F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details |
| G: Is there a published and transparent disciplinary procedure? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain |
| H: If yes, are workers aware of these the disciplinary procedure? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details |
| I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details |

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- No sign of sexual harassment during factory observation and employees interview.
- Security guards are hired for the purpose of securing the factory premises only.
- All interviewed employees confirmed that no physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.
- Welfare committee, Suggestion box and direct to supervisor, management or HR Department are available as channel for employee's communication with management.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Factory rule and regulation
- Personnel file
- Discipline record
- Management representative interview

Any other comments: Nil

Non-compliance:

| | |
|--|---|
| 1. Description of non-compliance: <input type="checkbox"/> NC against ETI code: Nil <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable | Objective evidence observed: Not applicable |
|--|---|

| Observation: | |
|---|---|
| Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |

| Good Examples observed: | |
|---|---|
| Description of Good Example (GE): None observed | Objective Evidence Observed: Not applicable |

10. Other Issue areas: 10A: Entitlement to Work and Immigration

[\(Click here to return to NC-table\)](#)

Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Total 160 migrant employees (148 males and 12 females) comprising Burmese employee work in the company, and they have work permits issued by Thai Government Authority and passport.
- Migrant employees work in Production Department.
- The original passports are kept by workers themselves, only copies are kept by the factory.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Personnel file
- Management representative interview
- Employee interview

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

- ☐ NC against ETI/Additional Elements
☐ NC against customer code:

Nil

☐ NC against Local Law

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:

| | |
|---|---|
| Description of observation: None observed Local law or ETI/Additional Elements requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |
|---|---|

| Good examples observed: | |
|---|---|
| Description of Good Example (GE): None observed | Objective Evidence Observed: Not applicable |

10. Other issue areas 10B2: Environment 2–Pillar

[\(Click here to return to summary of findings\)](#)

To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Health & Safety Policy (effective since 18 November 2015) and Environment Policy (effective since 17 June 2019) has been approved by CEO and communicated to employees by posting at the notification board and orientation for new employees.
- Environmental awareness training to employees which include in orientation.
- Groundwater permit no 75-51045-0052 valid until 31 December 2019.

Wastewater Treatment Management:

- There was wastewater treatment plant located in the factory for treatment of wastewater from production processes.
- The facility has conducted monthly wastewater testing (pH, BOD, COD, TSS, TKN, Oil & Grease etc.). Latest inspection was conducted on 24 July 2019 by Special Lab Envi and Consultant Co., Ltd. The results are complied with the local law standard.
- The report of summary of wastewater treatment operation (TorSor2) was submitted latest in July 2019.

Waste Management:

- The facility has permit to extended time to storage waste in Factory more than 90 days (SorKor1), license no. SorKor1(E)-18685/2562, effective since 1 July 2019 valid until 30 September 2019 with waste such as fluorescent bulbs, battery, Hydraulic oil, contaminated containers etc.
- The facility has obtained Ministry of Industry's permission to remove waste and useless material from the facility, license no. AorKor. 6201-2778, effective since 23 February 2019 valid until 21 February 2020 covering the removed waste such as paper, ashes, lab waste etc.
- The facility has submitted the notification the detail of summary quantity wastes or useless material in 2018 to the Ministry of Industrial on 28 February 2019.
- The factory has generated types of waste at the garbage area such as general waste, recycled waste and hazardous waste etc.
- The facility has provided the contracts of suppliers for disposal and transportation of waste as follows:
 - Recycle Engineering Co., Ltd. (License no: 3-101-1/43 ChorBor. effective since 23 February 2019 valid until 21 February 2020 for waste such as Lab Waste etc.

Air Pollution Management:

- The factory has conducted working environment inspection of harmful chemical with parameters such as Acetone, Chloroform, Methanol, Toluene, Hexane, Nitric Acid, Isopropyl Alcohol etc.; the latest was conducted on 18 March 2019 by C.E.M. Technology (Thailand) Co., Ltd.

- Air quality testing inspection of boiler stack with parameters such as Total Suspended Particulate, Oxides of Nitrogen, Sulfur Dioxide, Carbon Monoxide, Opacity etc. has conducted semi-annually; the latest was conducted on 25 March 2019 by Fluidized Bed and Energy Saving Co., Ltd.

Energy Conservation Management;

- The factory has established energy conservative policy; effective on 10 January 2017 and signed by Managing Director and communicated to employees by posted on notification board and orientation for new employees.
- The factory has provided Energy ID and responsible person as follows;

| Energy ID and Responsible Person | Detail |
|---|--|
| Energy conservation factory registered (TSIC-ID) | TSIC-ID: 10801-0030 |
| Senior Energy Responsible Person (PhorAorSor.) | Mr. Puttaphong S. (License no. PhorAorSor.05603) |
| Energy Responsible Person at ordinary level (PhorChorRor.) | Mr. Wiraj P. (License no. PhorChorRor.09932) |
| Annual submitted the energy management report to Ministry of Energy | The latest submitted on 29 March 2019 for January – December 2018. |
| Energy management committee | Comprising 15 members Approved by Energy Committee Head. |

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

- Code of Conduct and Business Ethic Policy
- Environment measurement/ inspection report
- Environment related documents & reports
- Waste management permit
- Certificate of environmental personnel
- Training record
- Site observation
- Dormitory observation

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Nil

Local law and/or ETI/Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

Not applicable

Observation:

| | |
|---|---|
| Description of observation: None observed Local law or ETI/Additional Elements requirement: Not applicable Comments: Not applicable | Objective evidence observed: Not applicable |
|---|---|

| Good examples observed: | |
|---|--|
| Description of Good Example (GE): None observed | Objective evidence observed: Not applicable. |

Other findings

| Other Findings Outside the Scope of the Code |
|--|
| Nil |

| Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i> |
|---|
| Nil |

Appendix 1

| | |
|--|--|
| <p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</p> <p><input checked="" type="checkbox"/> Not Applicable please x</p> | |
| <p>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p> | <p>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</p> |
| ETI Code / Additional Elements | Customer's Supplier Code equivalent |
| 0.A. Universal Rights covering UNGP | 0.A. Universal Rights covering UNGP |
| <p>0.A. Guidance for Observations</p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p> | |
| 0.B. Management Systems & Code Implementation | 0.B. Management Systems & Code Implementation |
| <p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> | |

| | |
|--|---|
| <p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p> | |
| ETI 1. Forced Labour | ETI 1. Forced Labour |
| <p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p> | |
| ETI 2. Freedom of association and the right to collective bargaining are respected | ETI 2. Freedom of association and the right to collective bargaining are respected |
| <p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p> | |
| ETI 3. Working conditions are safe and hygienic | ETI 3. Working conditions are safe and hygienic |
| <p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> | |

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|--|---|
| <p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p> | |
| ETI 4. Child labour shall not be used | ETI 4. Child labour shall not be used |
| <p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p> | |
| ETI 5. Living wages are paid | ETI 5. Living wages are paid |
| <p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p> | |
| ETI 6. Working Hours are not excessive | ETI 6. Working Hours are not excessive |
| <p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p> | |

| | |
|--|--|
| <p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> – this is allowed by national law; – this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; – appropriate safeguards are taken to protect the workers' health and safety; and – The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p> | |
| ETI 7. No discrimination is practised | ETI 7. No discrimination is practised |
| <p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p> | |
| ETI 8. Regular employment is provided | ETI 8. Regular employment is provided |
| <p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or</p> | |

| | |
|---|---|
| <p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p> | |
| 8A: Sub-Contracting and Homeworking | 8A: Sub-Contracting and Homeworking |
| <p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p> | |
| ETI 9. No harsh or inhumane treatment is allowed | ETI 9. No harsh or inhumane treatment is allowed |
| <p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p> | |
| 10. Other Issue areas: 10A: Entitlement to Work and Immigration | |
| <p>Additional Elements</p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p> | |
| 10. Other issue areas 10B2: Environment 2-Pillar | |

| | |
|---|--|
| <p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p> | |
|---|--|

| SMETA Extra Sections for 4 Pillar Audit: | SMETA Extra Sections for 4 Pillar Audit: |
|---|--|
| Environment Section | Environment Section |
| <p>B.4. Compliance Requirements</p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p> <p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p>B4. Guidance for Observations</p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p> | |
| Business Practices Section | |

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.













10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.

Photo Form

| | | |
|--------------------------|----------------------|--------------------------|
| | | |
| Factory nameplate | Security guard house | Job advertisement posted |
| | | |
| Accident statistic board | Assembly point | Smoking area |
| | | |
| Time record machine | Suggestion box | Notification board |

| | | |
|---|--|---|
|  |  |  |
| PPE sign posted | Warning sign posted | No smoking sign posted |
|  |  |  |
| Emergency stop button | Machine equipped with safety guard | Forklift |
|  |  |  |
| R&D Farm | Boiler | |
|  |  |  |
| Fire pump | Gas station | SDS posted |



Toilets separate by gender



Canteen

Drinking water dispenser



First aid box



Stretcher














Professional nurse at First aid room



Patient beds



Medicine cabinet

| | | |
|---|--|---|
|  |  |  |
| Evacuation route map | Evacuation flag | Fire extinguisher |
|  |  |  |
| Emergency lights box | Fire exit light box | Fire alarm |
|  |  |  |
| Fire hydrant | Fire hose cabinets | Fire fighting suits |
|  |  | |
| Secondary exit at all floor of building | | |

Dormitory

| | | |
|---|--|---|
|  |  |  |
| Dormitory overview | Evacuation route map | Emergency lights box |
|  |  |  |
| Evacuation flag and Fire extinguisher | | Fire exit light box |
|  |  |  |
| Fire alarm | Secondary exit at all floor of building | |



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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